

[Unapproved and Subject to Change]
CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION
MINUTES OF MEETING, Public Session

May 19, 2008

Call To Order: Chairman Ross Johnson called the meeting to order at 10:05 a.m., at 428 J Street, Eighth Floor, Sacramento, California. Chairman Johnson, Commissioners Timothy A. Hodson, Gene Huguenin, and Bob Leidigh were present. Commissioner Ray Remy attended the meeting by teleconference.

- 1. Public Comment.** This portion of the meeting is reserved for comment on items not on the agenda. Under the Bagley-Keene Open Meeting Act, the Commission cannot act on items raised during public comment, but may respond briefly to statements made or questions posed, request clarification, or refer the item to staff.

There was none.

- 2. Approval of the April 10, 2008, Commission meeting minutes.**

Moved by Commissioner Huguenin and seconded by Commissioner Leidigh to approve the minutes as submitted.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.
The motion passed 5-0.

- 3. In the Matter of Bing Bush FPPC No. 08/023.** Staff: Political Reform Consultant Jeanette Turvill. Bing Bush, consultant to the Metropolitan Transit System, failed to timely file an annual statement of economic interests in violation of Section 87300 of the Government Code (1 count).

Moved by Commissioner Huguenin and seconded by Commissioner Leidigh to approve a Stipulation, Decision and Order finding a violation of one count and a \$200 monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.
The motion passed 5-0.

- 4. In the Matter of Dave Noerr, FPPC No. 08/020.** Staff: Political Reform Consultant Wayne Imberi. Dave Noerr, Taft City Council member, failed to timely file his 2006 annual statement of economic interests in violation of Government Code Section 87203 (1 count).

Moved by Commissioner Huguenin and seconded by Commissioner Leidigh to approve a Stipulation, Decision and Order finding a violation of one count and a \$200 monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.
The motion passed 5-0.

- 5. Adoption of Amendments to Regulations 18421.7 and 18401 - Reporting an Expenditure of Campaign Funds for a Gift, a Meal, or Travel.** Staff: Commission Counsel Brian G. Lau and General Counsel Scott Hallabrin. Staff proposed extending the reporting and recordkeeping requirements of Regulations 18421.7 and 18401 to in-state travel. Additionally, staff proposed revisions addressing the reporting of gifts when a recipient has not been determined prior to the end of the reporting period and increasing the disclosure threshold for recipients of gifts.

Chairman Johnson asked if anyone in the audience had comments. There were none.

Moved by Commissioner Leidigh and seconded by Commissioner Hodson to adopt the amendments to Regulations 18421.7 and 18401 with the correction of Regulation 18421.7 at the end of page 1, line 21 changing the words “subdivision (a)(2)” to “subdivision (a)(1).”

AYES: Commissioners Huguenin, Leidigh, Hodson, and Chairman Johnson.

NOES: Commissioner Remy.

The motion passed 4-1.

- 6. Repeal/Readoption of Regulation 18944.2 – Gifts to an Agency.** Staff: Senior Commission Counsel Hyla P. Wagner and General Counsel Scott Hallabrin. Regulation 18944.2 provides an exception to the gift limits and SEI reporting requirements applicable to officials for certain payments made to public agencies. Staff proposed changes to Regulation 18944.2 to improve the disclosure of gifts to state and local agencies and add restrictions on payments for travel accepted by an agency under the exception. Because the proposal included numerous revisions to the regulation, staff recommended the repeal and readoption of Regulation 18944.2.

Chairman Johnson asked if anyone in the audience had comments. There were none.

Moved by Commissioner Huguenin and seconded by Commissioner Hodson to adopt the regulation with several proposed clarifying amendments and by adding the following at the end of subdivision (d)(1): “, on an individual specified in Section 87200.” Staff was directed to make modifications to the Gift to Agency Form and Instructions (CA Form 801) for further review at the June Commission meeting.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

- 7. Adoption of Proposed Amendments to Regulations 18360 and 18361 - Complaint Procedure/Delegation of Executive Director's Authority.** Staff: General Counsel Scott Hallabrin. Staff proposed the adoption of amendments to Regulation 18360, which governs the filing and processing of complaints alleging violations of the Political Reform Act, and Regulation 18361, expanding the Executive Director's delegation authority to duties under Regulation 18360.

Chairman Johnson asked if anyone in the audience had comments. Chuck Bell, with Bell McAndrews & Hiltachk; Lance Olson, with Olson Hagel & Fishburn; and Deborah Caplan, with Olson Hagel & Fishburn, commented on this item.

Chairman Johnson put this item over for continuation after the Commission's executive session. Staff was directed to craft language to Regulation 18360 during the break for review by the Commission when they reconvened to open session.

8. Legislative Report. Staff: Government Affairs Director Whitney Barazoto. As submitted.

Chairman Johnson announced that Ms. Barazoto passed the State Bar exam and congratulated her.

9. Litigation Report. Staff: General Counsel Scott Hallabrin. As submitted.

10. Executive Director's Report. Staff: Executive Director Michael B. Salerno. As submitted.

11. Chairman's Report. Chairman Ross Johnson.

Chairman Johnson reported that as of last Friday, the FPPC website was listing independent expenditures made on behalf of candidates in open legislative races and is updated daily. He thanked the staff, Carla Wardlow, Linda Cassady, Ashley Clarke, Aaron Howell, Trish Mayer, Roman Porter and Susie Swatt, for their hard work.

He also announced the FPPC report on Independent Expenditures would be available Tuesday, May 20, 2008, and thanked the staff, Ashley Clarke, Jennifer Clark, Roman Porter and Susie Swatt, for their contributions in completing the report.

Chairman Johnson recessed open session at 12:20 p.m. He advised the Commission would immediately convene in executive session and after adjournment would reconvene in open session with the continuation of Agenda Item 7.

The Commission reconvened in open session at 1:10 p.m. Chairman Johnson advised no reportable action was taken in executive session, and announced they would continue with the discussion of Agenda Item 7.

Scott Hallabrin, General Counsel, and Kourtney Vaccaro, Acting Chief of Enforcement, presented the recommended changes to Regulation 18360 to the Commission.

Moved by Commissioner Huguenin and seconded by Commissioner Hodson to adopt Regulation 18360 as proposed by staff, with the following amendments: (1) page 1, at the end of line 17, add: "or based on information and belief supported by documentary or other evidence included or described in the complaint;" (2) page 4, line 16, add: "Provide

the subject of the sworn complaint with a copy of the complaint within three business days of receipt” ...; and (3) delete the sentence on page 4, line 18, starting with “If the sworn complaint ...” and insert the same sentence at the end of the same paragraph (subdivision (f)(2)).

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.
The motion passed 5-0.

Moved by Commissioner Leidigh and seconded by Commissioner Hodson to adopt Regulation 18361 as proposed by staff with the proviso that when the *Morango* case is decided by the California Supreme Court, staff will prepare a legal memo informing the Commissioners whether it needs to be amended.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.
The motion passed 5-0.

There being no further business, Chairman Johnson adjourned the meeting at 1:20 p.m.

Dated: May 28, 2008

Respectfully submitted,

Beth Manwaring
Commission Assistant

Approved: _____
Ross Johnson
Chairman